

ORIGINAL

MEMORANDUM



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TO: Docket Control Center

FROM: Ernest G. Johnson
Director
Utilities Division

EA for EGJ

2009 MAR 18 A 9:09

AZ CORP COMMISSION
DOCKET CONTROL

DATE: March 17, 2009

RE: **ADMINISTRATIVE CLOSURE - IN THE MATTER OF THE APPLICATION OF EMBARQ COMMUNICATIONS, INC. FOR APPROVAL OF A TRANSFER OF CONTROL TO CENTURYTEL, INC. DOCKET NO. T-20443A-09-0086**

On February 26, 2009, Embarq Communications, Inc. ("ECI") notified the Commission of a proposed transaction that will result in the indirect transfer of control of ECI to CenturyTel, Inc. ("CenturyTel"). Although the proposed transaction will result in a change in the ultimate ownership of ECI, no transfer of certificates, assets, or facilities will occur as a consequence of the proposed transaction. ECI will continue to provide services to its existing customers in Arizona pursuant to its existing authorizations, and under the same rates, terms, and conditions it currently offers.

The proposed merger will occur at the holding company levels, CenturyTel and Embarq Corporation, but will not result in any change in the telecommunications services provided by ECI or its rates or terms and conditions of service.

The subsidiaries of Embarq Corporation, ECI, and CenturyTel, CenturyTel Solutions, holding CC&Ns in Arizona reported less than \$1 million in Arizona jurisdictional revenues for 2008¹, and all prior years. Accordingly, both CLECs do not qualify as Class A companies per Arizona Affiliated Interest Rules, A.A.C. R12-2-801 to R12-2-806 requiring utilities with greater than \$1 million in jurisdictional revenues to obtain prior approval for a transfer of control transaction.

ECI and CenturyTel Solutions are in compliance and in good standing.

Given the above, Staff recommends that this matter be administratively closed.

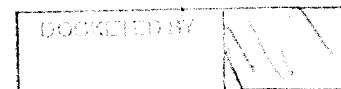
EGJ:AFF:kdh

Originator: Armando F. Fimbres

Attachment: Original and Thirteen Copies

Arizona Corporation Commission
DOCKETED

MAR 18 2009



¹ 2008 Annual Reports are not due until April 15, 2009; Staff requested 2008 jurisdictional information via email.

SERVICE LIST FOR: EMBARQ COMMUNICATIONS, INC.
DOCKET NO. T-20443A-09-0086

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